

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

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DATE: July 19, 2005

TO: LIHEAP Service Providers

A handwritten signature in red ink, reading "Tim Dayonot", is placed over the "TO:" line.

FROM: Tim Dayonot, Director

SUBJECT: Distribution of PVEA Funds

The Department of Community Services (CSD) recently received \$4,049,000 in Petroleum Violation Escrow Account (PVEA) funds. After the department takes 5% for administration and purchases duct blasters for our contractors, \$3,697,275 remains for distribution. I solicited input on how these funds might be distributed at Cal-Neva's June 24, 2005, meeting in Las Vegas, at the ACCES membership meeting on June 29, 2005, and at the LIHEAP Service Providers Meeting on June 30, 2005. Taking into consideration the feedback I received and the fact that these funds can be only spent on weatherization activities, the department has decided to distribute the PVEA funds as follows:

- \$3,297,275 will be allocated to the Network using the 3 factor formula
- \$149,725 will be used for purchase and delivery of duct blasters to the network
- \$400,000 will be set aside for discretionary purposes (10% of gross allocation)

Our goal is to issue new contracts within the next two weeks. Contract terms will be from August 1, 2005, to March 31, 2006. The term for LEAD contractors will be August 1, 2005, to December 31, 2006.

For those who are interested in the Discretionary Funds, please send an e-mail by August 15, 2005, to jnelson@csd.ca.gov with a brief description of your proposed project. We don't know at this point what the demand will be, but after receipt of your e-mails we will send out further guidance. We expect to begin funding these projects by September 1, 2005.

If you have any questions regarding this announcement, please contact your assigned Field Representative.